



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Valley National Bank, Wayne, New Jersey, Assumes All of the Deposits of the Park Avenue Bank, New York, New York

The Park Avenue Bank, New York, New York, was closed today by the New York State Banking Department, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Valley National Bank, Wayne, New Jersey, to assume all of the deposits of The Park Avenue Bank.

The four branches of The Park Avenue Bank will reopen during normal business hours beginning tomorrow as branches of Valley National Bank. Depositors of The Park Avenue Bank will automatically become depositors of Valley National Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branch until they receive notice from Valley National Bank that it has completed systems changes to allow other Valley National Bank branches to process their accounts as well.

This evening and over the weekend, depositors of The Park Avenue Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, The Park Avenue Bank had approximately \$520.1 million in total assets and \$494.5 million in total deposits. Valley National Bank will pay the FDIC a premium of 0.15 percent to assume all of the deposits of The Park Avenue Bank. In addition to assuming all of the deposits of the failed bank, Valley National Bank agreed to purchase essentially all of the assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-51-2010

The FDIC and Valley National Bank entered into a loss-share transaction on \$379.8 million of The Park Avenue Bank's assets. Valley National Bank will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-640-2538. The phone number will be operational this evening until 9:00 p.m., Eastern Standard Time (EST); on Saturday from 9:00 a.m. to 3:00 p.m., EST; on Sunday from 9 a.m. to 3:00 p.m., Eastern Daylight Time (EDT); and thereafter from 8:00 a.m. to 8:00 p.m., EDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/parkavenue-ny.html>.

As part of this transaction, the FDIC will acquire a cash appreciation instrument. The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$50.7 million. Valley National Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. The Park Avenue Bank is the 28th FDIC-insured institution to fail in the nation this year, and the second in New York. The last FDIC-insured institution closed in the state was LibertyPointe Bank, New, York, New York, on March 11, 2010.
